

## INSURANCE DIVISION[191]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 522B.18, the Insurance Division hereby gives Notice of Intended Action to amend Chapter 10, "Licensing of Insurance Producers," Iowa Administrative Code.

The rules in Chapter 10 set out the requirements, procedures and fees relating to the qualification, licensure and appointment of insurance producers. The proposed amendments to the rules are in accordance with uniform guidelines issued by the National Association of Insurance Commissioners. The Insurance Division intends that Iowa insurance companies and producers shall comply with the rules beginning January 1, 2009.

Any interested person may make written suggestions or comments on these proposed amendments on or before October 14, 2008. Such written materials should be directed to Ann Outka, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319; fax (515)281-3059.

Also, there will be a public hearing on October 14, 2008, at 10 a.m. at the offices of the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendments.

Any persons who intend to attend the public hearing and have special requirements, such as those relating to hearing or mobility impairments, should contact the Division and advise of specific needs.

These amendments are intended to implement Iowa Code chapter 522B and 2008 Iowa Acts, Senate File 2428.

The following amendments are proposed.

ITEM 1. Rescind the "Amended license" "CE" "CE term" "Duplicate license" "Insurance producer" "Insurance producer license application form" "License information bulletin" "License term" "Producer database" "Renewal year" "Uniform business entity application" in rule **191—10.2(522B)**.

ITEM 2. Amend rule **191—10.2(522B)**, "Appointment" "Birth month" "Home state" "License" "License number" "National Insurance Producer Registry" "Notification" "Producer renewal notice" "Termination" "Termination for cause" as follows:

*"Appointment"* means a notification filed with the division that an insurer has established an agency relationship with ~~an insurance~~ a producer. A company filing such a request must verify that the producer is licensed for the appropriate line(s) of authority.

*"Birth month"* means the month in which ~~an insurance~~ a producer was born.

*"Home state"* means the District of Columbia and any state or territory of the United States in which ~~an insurance~~ a producer maintains the producer's principal place of residence or principal place of business and is licensed to act as ~~an insurance~~ a producer.

*"License"* means the division's authorization for a person to act as ~~an insurance~~ a producer for the authorized lines of insurance.

*"License number"* means the National Insurance Producer Registry (NIPR) national producer number (NPN) issued to all licensees whose license records exist in the ~~producer database~~ state producer licensing database (SPLD). For purposes of this definition, "state producer licensing database (SPLD)" means the national database of producers maintained by the National Association of Insurance Commissioners (NAIC), its affiliates or subsidiaries.

“National Insurance Producer Registry” or “NIPR” means the nonprofit affiliate of the National Association of Insurance Commissioners (NAIC). The NIPR’s Web site is [www.licenseregistry.com](http://www.licenseregistry.com) [www.NIPR.com](http://www.NIPR.com).

“Notification” means a written or electronic communication from ~~an insurance~~ a producer to the division.

“Producer renewal notice” means a written or electronic communication issued by the division to inform ~~an insurance~~ a producer about license renewal.

“Termination” means that an insurer has ended its agency relationship with ~~an insurance~~ a producer.

“Termination for cause” means that an insurer has ended its agency relationship with ~~an insurance~~ a producer for one of the reasons set forth in Iowa Code section 522B.11.

ITEM 3. Adopt the following new “Commissioner” “Producer” in rule **191—10.2(522B)**:

“Commissioner” means the Iowa insurance commissioner.

“Producer” or “insurance producer” means a person required to be licensed in this state to sell, solicit or negotiate insurance.

ITEM 4. Amend rule 191—10.3(522B) as follows:

**191—10.3(522B) Requirement to hold a license.**

**10.3(1)** No person may sell, solicit or negotiate insurance in Iowa until that person has been issued an Iowa ~~insurance~~ producer license.

**10.3(2)** A person offering to the public, for a fee or commission, to engage in the business of offering any advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages promised under any policy of insurance must be licensed as ~~insurance~~ a producer.

**10.3(3)** A person shall not advise an Iowa resident to cancel, not renew, or otherwise change an existing insurance policy unless that person holds an Iowa ~~insurance~~ producer license regarding the line of insurance for which the advice is given. This subrule shall not apply to a licensed attorney or certified public accountant who does not sell or solicit insurance.

**10.3(4)** No change.

ITEM 5. Amend rule 191—10.4(522B) as follows:

**191—10.4(522B) Licensing of resident producers.**

**10.4(1)** A person whose home state is Iowa and who desires to be licensed as ~~an insurance~~ a producer must satisfy the following requirements:

a. to d. No change.

e. Pay the appropriate ~~insurance~~ producer license fee.

**10.4(2)** No change.

**10.4(3)** ~~An application is valid for 90 days after a properly completed application is received by the division or its designee. If an applicant does not pass the necessary examinations within 90 days, the application will expire and the license fee will not be returned.~~

**10.4(4)** No change.

**10.4(5)** Amendments to ~~insurance~~ producer licenses shall be done either by an outside vendor or by the division, as directed by the division. Any licensed ~~insurance~~ producer desiring to become licensed in an additional line of authority shall:

a. and b. No change.

**10.4(6)** A producer who holds a personal lines authority (~~authority number 16~~) can obtain property and casualty lines of authority (~~authority numbers 21 and 22~~) upon successful completion of the commercial insurance subject examination.

**10.4(7)** To receive a license for ~~an excess and surplus lines line of authority~~, the applicant must have successfully completed the ~~examination for the excess and surplus lines~~ examination ~~line of authority~~ (~~authority number 20~~) and also have successfully completed either: (1) the examinations for property and casualty lines of authority (~~authority numbers 21 and 22~~); or (2) the examination for personal ~~line~~ lines of authority (~~authority number 16~~) and the commercial insurance subject examination.

**10.4(8)** To receive a license for the variable products line of authority, the applicant must:

- Hold an active Iowa insurance license with a life insurance line of authority;
- Pass the Financial Industry ~~Regulation~~ Regulatory Authority (FINRA) examinations necessary to obtain an Iowa securities license; and
- File an application through the NIPR Gateway or as directed by the division to amend the license to add the variable products line of authority.

**10.4(9)** The division may require any documents reasonably necessary to verify the information contained in the application or to verify that the individual making application has the character and competency required to receive ~~an insurance~~ a producer license. If an applicant does not provide the additional information requested by the division within 45 days of receipt of the request, the application will expire and the license fee will not be returned.

ITEM 6. Amend rule 191—10.5(522B) as follows:

**191—10.5(522B) Licensing of nonresident producers.**

**10.5(1)** A producer for whom Iowa is not the home state who desires to sell, solicit or negotiate insurance in Iowa must satisfy the following requirements to obtain an Iowa nonresident ~~insurance~~ producer license:

a. to c. No change.

**10.5(2)** and **10.5(3)** No change.

**10.5(4)** The division may require any documents reasonably necessary to verify the information contained in the application or to verify that the individual making application has the character and competency required to receive ~~an insurance~~ a producer license. If an applicant does not provide the additional information requested by the division within 45 days of receipt of the request, the application will expire and the license fee will not be returned.

ITEM 7. Amend rule 191—10.6(522B) as follows:

**191—10.6(522B) Issuance of license.**

**10.6(1)** A person who meets the requirements of Iowa Code sections 522B.4 and 522B.5, or section 522B.7, and of rule 10.5(522B), unless otherwise denied licensure pursuant to Iowa Code section 522B.11 or rule 10.19(522B), shall be issued a producer license. ~~An insurance~~ A producer license shall remain in effect for ~~a an initial~~ term of three years; after the last day of the applicant's birth month of the year the license was issued, unless revoked or suspended, ~~and~~. A license may be continually renewed pursuant to rule 10.8(522B) as long as the proper fees are paid and home state continuing education requirements are met. A renewal term is three years. If not renewed, a producer license automatically terminates on the last day of the month of the initial or renewal term.

**10.6(2)** An individual ~~insurance~~ producer whose license has ~~lapsed~~ expired may seek reinstatement as set forth in rule 10.9(522B).

**10.6(3)** The license shall contain the producer's name, address, license number, date of issuance, date of expiration, the line(s) of authority held and any other information the division deems necessary. The license number shall be the same as the producer's National Insurance Producer Registry (NIPR) national producer number (NPN). ~~Effective January 1, 2008, the division will not send a paper license to the insurance producer, but insurance producers may download and print licenses through the division's Web site: [www.iid.state.ia.us](http://www.iid.state.ia.us).~~

**10.6(4)** No change.

ITEM 8. Amend rule 191—10.7(522B) as follows:

**191—10.7(522B) License lines of authority.** In addition to the lines of authority listed in Iowa Code subsection 522B.6(2), the ~~The~~ following lines of authority also are available for issuance in Iowa: crop; surety; and reciprocal (any other line of insurance issued in another state and for which Iowa grants authority to sell, solicit or negotiate in this state).

<u>Number</u>	<u>Authority</u>
4	<del>Crop</del>
5	<del>Surety</del>
6	<del>Accident and health (insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income)</del>
7	<del>Life (insurance coverage on human lives, including benefits of endowment, annuities, equity indexed products, may include benefits in event of death or dismemberment by accident and benefits for disability income)</del>
9	<del>Variable life/variable annuity products (insurance coverage provided under variable life insurance contracts and variable annuities)</del>
16	<del>Personal lines (fire, casualty and auto insurance sold to individuals or families)</del>
18	<del>Credit (offered in connection with an extension of credit to extinguish a credit obligation)</del>
20	<del>Excess and surplus lines (prerequisite is authority 21 and 22)</del>
21	<del>Property (coverage for the direct or consequential loss or damage to property of any kind)</del>
22	<del>Casualty (coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property)</del>
23	<del>Reciprocal authority (any other line of insurance issued in another state and for which Iowa grants authority to sell, solicit or negotiate in this state)</del>

ITEM 9. Amend rule 191—10.8(522B) as follows:

**191—10.8(522B) License renewal.**

**10.8(1)** No change.

**10.8(2)** A producer must apply for license renewal within 60 days prior to the expiration date of the license. Failure to apply to renew a license and pay appropriate fees prior to the expiration date of the license will result in expiration of the license.

**10.8(3)** The division may deliver the producer renewal notice electronically. If delivered electronically, the notice will be sent to the last-known electronic mail address ~~as provided by the insurance producer of record.~~

**10.8(4)** Resident ~~insurance~~ producer licenses may be renewed electronically through the ~~division's Web site (www.iid.state.ia.us) or by mail NIPR Gateway at www.NIPR.com.~~

**10.8(5)** Nonresident ~~insurance~~ producer licenses may be renewed only through the NIPR Gateway, or as otherwise directed by the division.

ITEM 10. Amend subrule 10.10(1) as follows:

**10.10(1)** The term “reinstatement” as used in this rule means the reinstatement of a suspended license. The term “reissuance” as used in this rule means the issuance of a new license following either the revocation of a license or the forfeiture of a license in connection with a disciplinary matter, including but not limited to proceedings pursuant to rules 10.21(252J), 10.22(261) and 10.23(82GA,SF2428). This rule does not apply to the reinstatement of an expired license.

ITEM 11. Rescind subrule **10.10(6).**

ITEM 12. Renumber subrule **10.10(7)** as **10.10(6).**

ITEM 13. Amend rule 191—10.12(522B) as follows:

**191—10.12(522B) Change in name, address or state of residence.**

**10.12(1)** If a producer’s name is changed, the producer must file notification with the division within 30 days of the name change. The notification must include the producer’s:

*a. to c.* No change.

Notification ~~may~~ shall be filed ~~via electronic mail to [producer.licensing@iid.state.ia.us](mailto:producer.licensing@iid.state.ia.us), or through the NIPR Gateway, if available at [www.NIPR.com](http://www.NIPR.com), unless the division instructs the producer otherwise.~~

**10.12(2)** Address change. If a resident or nonresident producer's address is changed, the producer must file notification with the division within 30 days of the address change. The notification must include the producer's:

a. to d. No change.

Notification ~~may~~ shall be filed ~~via electronic mail to [producer.licensing@iid.state.ia.us](mailto:producer.licensing@iid.state.ia.us), or through the NIPR Gateway, if available at [www.NIPR.com](http://www.NIPR.com), unless the division instructs the producer otherwise.~~

**10.12(3)** A nonresident ~~insurance~~ producer who moves from one state to another state or an Iowa resident producer who moves to another state and wishes to retain an Iowa ~~insurance~~ producer license must file a change of address with the division and provide a certification from the new resident state within 30 days of the change of legal residence. No fee or license application is required. If the new resident state is actively participating in the producer database, a letter of certification is not required. A nonresident licensed ~~insurance~~ producer who moves to Iowa and wishes to retain the nonresident's ~~insurance~~ producer license must file a change of address with the division within 90 days of the change of legal residence.

**10.12(4)** Issuance of an Iowa nonresident ~~insurance~~ producer license is contingent on proper licensure in the nonresident ~~insurance~~ producer's home state. Termination of the producer's resident license will be deemed termination of the Iowa nonresident ~~insurance~~ producer license unless the producer timely files a change of address pursuant to this rule.

**10.12(5)** No change.

ITEM 14. Amend subrule 10.14(5) as follows:

**10.14(5)** A person who is not engaged in any activities in Iowa that require ~~an insurance~~ a producer license in Iowa is not required to maintain an active ~~insurance~~ producer license in order to receive override or hierarchy commissions or to receive renewal commissions earned while the producer was actively engaged in activities that required ~~an insurance~~ a producer license.

ITEM 15. Amend subrule 10.15(1) as follows:

**10.15(1)** Insurers are required to file appointments with the division for each ~~insurance~~ producer with which the producer has an agency relationship. The determination of whether an insurer and ~~an insurance~~ a producer have an agency relationship will be made by the division based on the totality of the circumstances surrounding the business relationship. Appointments are not issued for business entities.

ITEM 16. Amend subrule 10.15(4) as follows:

**10.15(4)** Appointment fees are set forth in rule ~~40.24(522B)~~ 10.26(522B). A billing statement will be submitted to insurance companies on a monthly basis and payment is due within 45 days. The division will assess a late fee of \$100 for the failure to timely pay appointment billing statements ~~of \$100 on the forty-sixth day, an additional \$100 on the sixtieth day, and an additional \$100 each day thereafter and an additional \$500 on or after the forty-sixth day.~~

ITEM 17. Adopt the following new subrule 10.15(7):

**10.15(7)** Insurance companies are required to file the name, address, and electronic address of a contact person for the company, to whom the billing statements will be sent. Insurance companies are required to notify the division if there is a change of the person appointed as the contact person or if a change of the address of such contact occurs. If a company fails to notify the division of such a change, the division shall charge the insurance company a \$100 fee.

ITEM 18. Amend subrule 10.16(4) as follows:

**10.16(4)** Failure to pay renewal appointment fees by March 15 will result in termination of a company's appointments. Appointments that are terminated due to nonpayment of renewal fees may be reinstated upon payment of the renewal fee plus a reinstatement fee ~~which is equal to the renewal fee of \$500.~~

ITEM 19. Adopt the following **new** subrule 10.16(6):

**10.16(6)** Insurance companies are required to file the name, address, and electronic address of a contact person for the company, to whom the appointment renewals will be sent. Insurance companies are required to notify the division if a change of the address of such contact occurs. If a company fails to notify the division of such a change of address, the division shall charge the insurance company a \$100 fee.

ITEM 20. Amend subrule 10.18(2) as follows:

**10.18(2) Requirements.**

*a.* To qualify for such a license, the business entity must:

(1) File a completed NAIC uniform business entity application through the NIPR Gateway or as directed by the division. For purposes of this subrule, “uniform business entity application” means the National Association of Insurance Commissioners’ uniform business entity application for resident and nonresident business entities, as the application appears on the NAIC Web site;

(2) Designate one officer, owner, partner, or member of the business entity, which person also is a producer licensed by the division, as the person who will have full responsibility for the conduct of all business transactions of the business entity or of ~~insurance~~ producers affiliated with the business entity;

(3) For a nonresident business entity, submit an appropriate request through the NIPR Gateway; and

(4) Pay the license fee.

*b.* The designated responsible producer shall maintain an active Iowa ~~insurance~~ producer license. If the license of the designated responsible producer terminates or lapses for any reason, the business entity must supply the division with a substitute designated responsible producer within ten days. If the business entity does not provide a substitute, the division shall terminate the license, and the entity shall submit a new application.

ITEM 21. Amend subrule 10.18(5) as follows:

**10.18(5) Business address.** Business entities licensed under this rule must maintain a current business address with the division. If a business entity’s address is changed, notification from the designated responsible producer must be submitted to the division within 30 days of the address change, stating:

*a. to d.* No change.

The notification may be sent by electronic mail to ~~producer.licensing@iia.state.ia.us~~, or through the NIPR Gateway, ~~if available~~ at www.NIPR.com, unless the division instructs the producer otherwise.

ITEM 22. Renumber rule **191—10.19(522B)** as **191—10.20(522B)**.

ITEM 23. Adopt the following **new** rule 191—10.19(522B):

**191—10.19(522B) Use of senior-specific certifications and professional designations in the sale of life insurance and annuities.**

**10.19(1) Purpose.** The purpose of this rule is to set forth standards to protect consumers from misleading and fraudulent marketing practices with respect to the use of senior-specific certifications and professional designations in the solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product.

**10.19(2) Scope.** This rule shall apply to any solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product by a producer.

**10.19(3) Authority.**

*a.* This rule is promulgated under the authority of Iowa Code chapters 507B and 522B.

*b.* Nothing in this rule shall limit the division’s authority to enforce existing provisions of law.

**10.19(4) Prohibited uses of senior-specific certifications and professional designations.**

*a.* It is an unfair and deceptive act or practice in the business of insurance within the meaning of Iowa Code chapter 507B for a producer to use a senior-specific certification or professional designation that indicates or implies in such a way as to mislead a purchaser or prospective purchaser that the producer has special certification or training in advising or servicing seniors in connection with the solicitation,

sale or purchase of a life insurance or annuity product or in the provision of advice as to the value of or the advisability of purchasing or selling a life insurance or annuity product, either directly or indirectly through publications or writings, or by issuing or promulgating analyses or reports related to a life insurance or annuity product.

*b.* The prohibited use of senior-specific certifications or professional designations includes, but is not limited to, the following:

(1) Use of a certification or professional designation by an insurance producer who has not actually earned or is otherwise ineligible to use such certification or designation;

(2) Use of a nonexistent or self-conferred certification or professional designation;

(3) Use of a certification or professional designation that indicates or implies a level of occupational qualifications obtained through education, training or experience that the producer using the certification or designation does not have; and

(4) Use of a certification or professional designation that was obtained from a certifying or designating organization that:

1. Is primarily engaged in the business of instruction in sales or marketing;

2. Does not have reasonable standards or procedures for assuring the competency of its certificants or designees;

3. Does not have reasonable standards or procedures for monitoring and disciplining its certificants or designees for improper or unethical conduct; or

4. Does not have reasonable continuing education requirements for its certificants or designees in order to maintain the certificate or designation.

*c.* There is a rebuttable presumption that a certifying or designating organization is not disqualified solely for purposes of subparagraph 10.19(4) “*b*”(4) when the certification or designation issued from the organization does not primarily apply to sales or marketing and when the organization or the certification or designation in question has been accredited by:

(1) The American National Standards Institute (ANSI);

(2) The National Commission for Certifying Agencies; or

(3) Any organization that is on the U.S. Department of Education’s list entitled “Accrediting Agencies Recognized for Title IV Purposes.”

*d.* In determining whether a combination of words or an acronym standing for a combination of words constitutes a certification or professional designation indicating or implying that a person has special certification or training in advising or servicing seniors, factors to be considered shall include:

(1) Use of one or more words such as “senior,” “retirement,” “elder,” or like words combined with one or more words such as “certified,” “registered,” “chartered,” “adviser,” “specialist,” “consultant,” “planner,” or like words, in the name of the certification or professional designation; and

(2) The manner in which those words are combined.

*e.* Financial services regulatory agency.

(1) For purposes of this rule, a job title within an organization that is licensed or registered by a state or federal financial services regulatory agency is not a certification or professional designation, unless it is used in a manner that would confuse or mislead a reasonable consumer, when the job title:

1. Indicates seniority or standing within the organization; or

2. Specifies an individual’s area of specialization within the organization.

(2) For purposes of paragraph 10.19(4) “*e*,” “financial services regulatory agency” includes, but is not limited to, an agency that regulates insurers, insurance producers, broker-dealers, investment advisers, or investment companies as defined under the Investment Company Act of 1940.

*f.* Effective date. This rule shall become effective January 1, 2009.

ITEM 24. Amend renumbered rule 191—10.20(522B) as follows:

#### **191—10.20(522B) Violations and penalties.**

**10.20(1) to 10.20(3)** No change.

**10.20(4)** The commissioner may place on probation, suspend, revoke, or refuse to issue or renew a producer’s license or may levy a civil penalty, in accordance with Iowa Code section 522B.17 or any

combination of actions, for any action listed in Iowa Code section 522B.11 and any one or more of the following causes:

- a. No change.
- b. Failing to report any administrative action or criminal prosecution taken against the producer or failure to report the termination of a resident ~~insurance~~ producer license;
- c. Acting as ~~an insurance~~ a producer through persons not licensed as ~~insurance~~ producers; or
- d. No change.

**10.20(5)** If a producer fails to provide to the division any notification required either by Iowa Code chapter 522B or by this chapter, including but not limited to notification of a change of address, notification of change of name, or notification of administrative criminal action as required by rules 10.12(522B) and 10.13(522B), within the required time, the producer shall pay a late fee of \$100. A business entity that fails to make a notification to the division as required by rule 10.18(522B) within the required time shall pay a late fee of \$100.

~~10.20(5)~~ **10.20(6)** In the event that the division denies a request to renew ~~an insurance~~ a producer license or denies an application for ~~an insurance~~ a producer license, the commissioner shall provide written notification to the producer or applicant of the denial or failure to renew, including the reason therefor. The producer or applicant may request a hearing within 30 days of receipt of the notice to determine the reasonableness of the division's action. The hearing shall be held within 30 days of the date of the receipt of the written demand by the applicant and shall be held pursuant to 191—Chapter 3.

~~10.20(6)~~ **10.20(7)** The commissioner may suspend, revoke, or refuse to issue the license of a business entity if the commissioner finds, after hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the entity and the violation was neither reported to the insurance division nor was corrective action taken.

ITEM 25. Renumber rule **191—10.20(252J)** as **191—10.21(252J)**.

ITEM 26. Amend renumbered subrule 10.21(5) as follows:

**10.21(5)** Upon receipt of a withdrawal of the certificate of noncompliance from the CSRU, suspension proceedings shall halt and the named producer shall be notified that the proceedings have been halted. If the producer's license has already been suspended, the license shall be reinstated if the producer is otherwise in compliance with division rules. All fees required for license renewal or license reinstatement must be paid by producers and all continuing education requirements must be met before ~~an insurance~~ a producer license will be renewed or reinstated after a license suspension or revocation pursuant to this subrule.

ITEM 27. Renumber rule **191—10.21(261)** as **191—10.22(261)**.

ITEM 28. Amend renumbered rule 191—10.22(261) as follows:

**191—10.22(261) Suspension for failure to pay student loan.**

**10.22(1)** The division shall deny the issuance or renewal of ~~an insurance~~ a producer license upon receipt of a certificate of noncompliance from the college student aid commission (CSAC) according to the procedures set forth in Iowa Code sections 261.126 and 261.127. In addition to the procedures contained in those sections, this rule shall apply.

**10.22(2)** Upon receipt of a certificate of noncompliance from the CSAC according to the procedures set forth in Iowa Code sections 261.126 and 261.127, the commissioner shall issue a notice to the producer that the producer's pending application for licensure, pending request for renewal, or current license will be suspended ~~30~~ 60 days after the date of the notice. Notice shall be sent to the producer's last-known address by restricted certified mail, return receipt requested, or by personal service in accordance with the Iowa Rules of Civil Procedure. Alternatively, the applicant or licensed producer may accept service personally or through authorized counsel.

**10.22(3)** The notice shall contain the following items:

- a. and b. No change.



c. A statement that the producer's application, request for renewal or current ~~insurance~~ producer license will be suspended if the certificate of noncompliance is not withdrawn or, if the current license is on suspension, a statement that the producer's current ~~insurance~~ producer license will be revoked;

d. to f. No change.

**10.22(4)** The effective date of revocation or suspension of ~~an insurance~~ a producer license, as specified in the notice required by Iowa Code section 261.126, shall be 60 days following service of the notice upon the applicant or registrant.

**10.22(5)** In the event an applicant or licensed producer timely files a district court action following service of a division notice pursuant to Iowa Code section 261.127, the division's suspension proceedings will be stayed until the division is notified by the district court of the resolution of the application. Upon receipt of a court order lifting the stay, or otherwise directing the division to proceed, the division shall continue with the intended action described in the notice. For purposes of determining the effective date of the denial of the issuance or renewal of ~~an insurance~~ a producer license, the division shall count the number of days before the action was filed and the number of days after the court disposed of the action.

**10.22(6)** If the division does not receive a withdrawal of the certificate of noncompliance from the CSAC or a notice from a clerk of court that an application for hearing has been filed, the division shall suspend the producer's application, request for renewal or current ~~insurance~~ producer license 60 days after the notice is issued.

**10.22(7)** Upon receipt of a withdrawal of the certificate of noncompliance from the CSAC, suspension proceedings shall halt and the named producer shall be notified that the proceedings have been halted. If the producer's insurance license has already been suspended, the license shall be reinstated if the producer is otherwise in compliance with division rules. All fees required for license renewal or license reinstatement must be paid by producers and all continuing education requirements must be met before ~~an insurance~~ a producer license will be renewed or reinstated after a license suspension or revocation pursuant to Iowa Code section 261.126.

**10.22(8)** The division shall notify the producer in writing through regular first-class mail, or such other means as the division deems appropriate in the circumstances, within ten days of the effective date of the suspension or revocation of ~~an insurance~~ a producer license, and shall similarly notify the producer when the ~~insurance~~ producer license is reinstated following the division's receipt of a withdrawal of the certificate of noncompliance.

**10.22(9)** No change.

ITEM 29. Renumber rule **191—10.22(522B)** as **191—10.24(522B)**.

ITEM 30. Rescind rule **191—10.25(522B)**.

ITEM 31. Renumber rule **191—10.23(522B)** as **191—10.25(522B)**.

ITEM 32. Adopt the following new rule 191—10.23(82GA,SF2428):

**191—10.23(82GA,SF2428) Suspension for failure to pay state debt.**

**10.23(1)** The commissioner shall deny the issuance or renewal of a producer license upon receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures in 2008 Iowa Acts, Senate File 2428. In addition to the procedures set forth in 2008 Iowa Acts, Senate File 2428, this rule shall apply.

**10.23(2)** Upon receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures set forth in 2008 Iowa Acts, Senate File 2428, the commissioner shall issue a notice to the producer that the producer's pending application for licensure, pending request for renewal, or current producer license will be suspended 60 days after the date of the notice. Notice shall be sent to the producer's last-known address by restricted certified mail, return receipt requested, or by personal service in accordance with the Iowa Rules of Civil Procedure. Alternatively, the applicant or licensed producer may accept service personally or through authorized counsel.

**10.23(3)** Pursuant to 2008 Iowa Acts, Senate File 2428, section 14, the notice shall contain the following items:

- a.* A statement that the commissioner intends to suspend the producer's application, request for renewal or current producer license in 60 days;
- b.* A statement that the producer must contact the centralized collection unit of the department of revenue to schedule a conference or to otherwise obtain a withdrawal of the certificate of noncompliance;
- c.* A statement that the producer's application, request for renewal or current producer license will be suspended, or denied if the commissioner does not receive a withdrawal of the certificate of noncompliance from the centralized collection unit of the department of revenue within 60 days of the issuance of notice under this rule; or, if the current producer license is on suspension, a statement that the producer's current producer license will be revoked;
- d.* A statement that the producer does not have a right to a hearing before the commissioner, but that the producer may file an application for a hearing in district court pursuant to 2008 Iowa Acts, Senate File 2428, section 15;
- e.* A statement that the filing of an application with the district court will stay the proceedings of the commissioner;
- f.* A copy of the certificate of noncompliance.

**10.23(4)** Producers shall keep the commissioner informed of all court actions and all actions taken by the centralized collection unit of the department of revenue under or in connection with 2008 Iowa Acts, Senate File 2428; and producers shall provide to the commissioner, within seven days of filing or issuance, of all applications filed with the district court pursuant to 2008 Iowa Acts, Senate File 2428, section 15, all court orders entered in such actions, and withdrawals of certificates of noncompliance by the centralized collection unit of the department of revenue.

**10.23(5)** The effective date of revocation or suspension of a producer license, as specified in the notice required by 2008 Iowa Acts, Senate File 2428, section 14, and subrule 10.23(2), shall be 60 days following service of the notice upon the applicant or producer.

**10.23(6)** In the event an applicant or licensed producer timely files a district court action following service of a notice by the commissioner pursuant to 2008 Iowa Acts, Senate File 2428, section 15, the commissioner's suspension proceedings will be stayed until the commissioner is notified by the district court of the resolution of the application. Upon receipt of a court order lifting the stay, or otherwise directing the commissioner to proceed, the commissioner shall continue with the intended action described in the notice. For purposes of determining the effective date of the denial of the issuance or renewal of a producer license, the commissioner shall count the number of days before the action was filed and the number of days after the court disposed of the action.

**10.23(7)** If the commissioner does not receive a withdrawal of the certificate of noncompliance from the centralized collection unit of the department of revenue or a notice from a clerk of court that an application for hearing has been filed, the commissioner shall suspend the producer's application, request for renewal or current producer license 60 days after the notice is issued.

**10.23(8)** Upon receipt of a withdrawal of the certificate of noncompliance from the centralized collection unit of the department of revenue, suspension proceedings shall halt, and the named producer shall be notified that the proceedings have been halted. If the producer's license has already been suspended, the license shall be reinstated if the producer is otherwise in compliance with this chapter. All fees required for license renewal or license reinstatement must be paid by the producer, and all continuing education requirements must be met before a producer license will be renewed or reinstated after a license suspension or revocation pursuant to 2008 Iowa Acts, Senate File 2428.

**10.23(9)** The commissioner shall notify the producer in writing through regular first-class mail, or such other means as the commissioner deems appropriate in the circumstances, within ten days of the effective date of the suspension or revocation of a producer license, and shall similarly notify the producer when the producer license is reinstated following the commissioner's receipt of a withdrawal of the certificate of noncompliance.

**10.23(10)** Notwithstanding any statutory confidentiality provision, the commissioner may share information with the centralized collection unit of the department of revenue for the sole purpose of identifying producers subject to enforcement under 2008 Iowa Acts, Senate File 2428.

ITEM 33. Renumber rule **191—10.24(522B)** as **191—10.26(522B)**.

ITEM 34. Amend renumbered subrules 10.26(3) and 10.26(5) as follows:

**10.26(3)** The fee for issuance or renewal of ~~an insurance~~ a producer license is \$50 for three years.

**10.26(5)** The fee for reinstatement of ~~an insurance~~ a producer license is a total of the renewal fee plus \$100.

ITEM 35. Amend **191—Chapter 10**, Division I, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapters 252J, 261, and 522B and 2008 Iowa Acts, Senate File 2428.